



June 12, 2015

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

**Re: Niagara Mohawk Power Corporation d/b/a National Grid
Docket Nos. ER15-____-000**

**Revisions to Wholesale TSC Formula Rate of National Grid Under the
NYISO OATT to Implement Settlement Approved in
Docket Nos. EL12-101-000, *et al.***

Dear Secretary Bose:

In compliance with the Commission's May 13, 2015 order in Docket Nos. EL12-101-000, *et al.*,¹ Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") submits for filing revisions to the Open Access Transmission Tariff ("OATT") administered by the New York Independent System Operator, Inc. ("NYISO"). Specifically, National Grid proposes to revise certain National Grid-specific components of the Transmission Service Charge ("TSC") formula set forth in Attachment H to the NYISO OATT, in order to implement the Settlement Agreement and Offer of Settlement ("Settlement") approved in the Commission's May 13 order.

National Grid requests that the Commission accept the OATT revisions contained in this filing effective as of July 1, 2015, in accordance with the terms of the Settlement and the May 13 order.

¹ 151 FERC ¶ 61,121 (2015).

I. Background

A. History of the Settlement

The Settlement resolves all issues raised in three complaints filed in Docket Nos. EL12-101-000, EL13-16-000, and EL14-29-000 against National Grid and the New York Independent System Operator, Inc. (“NYISO”) seeking orders to reduce National Grid’s current return on equity (“ROE”) used in calculating National Grid’s TSC and to raise additional issues regarding that TSC under Attachment H to the NYISO OATT. On September 8, 2014, the Commission issued three orders that consolidated the complaint proceedings, established hearing and settlement judge procedures, established refund periods, and granted the NYISO’s requests to be dismissed as a party to the proceedings.²

Following a series of settlement conferences convened by Settlement Judge H. Peter Young, the settling parties entered into the Settlement to resolve all issues presented in the proceedings.³ On February 24, 2015, National Grid filed the Settlement on behalf of the settling parties. On March 27, 2015, Judge Young certified the Settlement to the Commission as an uncontested offer of settlement.⁴ The Commission approved the Settlement in its May 13, 2015, order in Docket Nos. EL12-101-000, *et al.* In the May 13 order, the Commission directed that “Within thirty (30) days of the date of this order, Niagara Mohawk must make a compliance filing in eTariff reflecting the Commission’s action in this order.”⁵

B. Revisions Required by the Settlement to Attachment H to the NYISO OATT

Section 2.7 of the Settlement states that “National Grid shall coordinate with the NYISO to file for Commission acceptance within thirty days after the date this Settlement becomes effective pursuant to Section 4.1 the revisions to Attachment H to the

² The three orders issued on September 8 were the “Order on Complaint and Establishing Hearing and Settlement Judge Procedures,” 148 FERC ¶ 61,177 (2014), issued in Docket No. ; the “Order on Complaint, Establishing Hearing and Settlement Judge Procedures, and Consolidating Proceedings,” 148 FERC ¶ 61,175 (2014); and the “Order on Complaint, Establishing Hearing and Settlement Judge Procedures, and Consolidating Proceedings,” 148 FERC ¶ 61,176 (2014). This filing refers to these orders collectively as the “September 8 Orders.”

³ The settling parties are National Grid, the New York Association of Public Power, the Municipal Electric Utilities Association of New York, and Allegheny Electric Cooperative, Inc. (collectively, the “Settling Parties”).

⁴ “Settlement Judge Certification of Uncontested Offer of Settlement,” 150 FERC ¶ 63,013 (2015).

⁵ The May 13 order also directs National Grid to file with the Commission a refund report within 30 days of the date on which National Grid has provided refunds in accordance with the Settlement. National Grid is preparing refunds consistent with the terms of the Settlement and will submit separate refund reports to the Commission in accordance with the May 13 order.

NYISO OATT that are required to incorporate the 10.3 percent ROE into the formula rate for National Grid's TSC as of July 1, 2015."

Section 4.1 of the Settlement states that the Settlement "shall become effective when approved or accepted by the Commission without condition or modification in a Final Order, or, if conditioned or modified, if and when the Settling Parties accept such condition or modification in accordance with Section 4.2 thereof." Section 4.1 states that, "[f]or purposes of this Settlement, an order shall be deemed to be a 'Final Order' as of the date rehearing is denied by the Commission, or, if rehearing is not sought, as of the date on which the right to seek Commission rehearing expires."⁶

Pursuant to Section 4.1 of the Settlement, the May 13 order will not become a Final Order until June 12. Accordingly, pursuant to Section 2.7 of the Settlement, National Grid is not obligated to make the filing required to revise Attachment H to the NYISO OATT until July 13, 2015. National Grid is nonetheless making the filing today consistent with the Commission's directive in the May 13 order to make a compliance filing in eTariff within thirty days of the order. National Grid has been informed by the other settling parties and Commission staff that none of these parties intend to seek rehearing of the May 13 order.

II. Proposed Revisions to the NYISO OATT

Pursuant to the Commission's acceptance of the Settlement in the May 13 order and the provisions of the Settlement discussed above, National Grid submits revisions to Section 14.2 of Attachment H to the NYISO OATT to incorporate the 10.3 percent ROE into the formula rate for National Grid's TSC. A red-lined document showing the changes to Section 14.2 of Attachment H to the NYISO OATT to incorporate the 10.3 percent ROE into the formula rate is provided as Attachment B to this filing. A clean version of Section 14.1 of Attachment H is included in Attachment A.⁷

III. Effective Date and Request for Waiver

National Grid requests that the Commission accept the revisions to the NYISO OATT contained in the instant filing effective July 1, 2015, in accordance with Section 2.7 of the Settlement.

⁶ The Settlement also contains other provisions not relevant to this filing.

⁷ National Grid understands that, due to an administrative oversight by the NYISO, changes to Attachment H Sections 14.1 and 14.2, filed on December 6, 2013, in Docket No. ER14-543-000, were filed together in eTariff under Section 14.1 and, accordingly, an eTariff record for Section 14.2 was not filed at that time. The tariff changes in the instant filing are being made in Section 14.2. However, a clean version of Section 14.1, containing changes the Commission previously accepted subject to refund and to settlement and hearing procedures (*Niagara Mohawk Power Corp.*, 146 FERC ¶ 61,065 (2014)) is also included to correct and complete the eTariff record.

To the extent necessary, National Grid also respectfully requests, pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), that the Commission grant waiver of Section 35.3 of its regulations (18 C.F.R. § 35.3) to permit the requested effective date. Good cause exists for granting that effective date. As explained above, the Commission approved the Settlement, including the July 1, 2015, effective date for the revisions to Attachment H to the NYISO OATT, in the May 13 order.

IV. Communications

National Grid requests that all correspondence, pleadings, and other communications regarding the instant filing be served upon the following:

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V. Contents of Filing

In addition to this transmittal letter, the following attachments support the instant filing:

Attachment A	Clean NYISO OATT tariff sheets incorporating this tariff amendment
Attachment B	Redlined document showing the revisions contained in this tariff amendment

VI. Service

Pursuant to Section 35.2(e) of the Commission's regulations (18 C.F.R. § 35.2(e)), National Grid is electronically serving a copy of this filing on its customers under the rate affected by the filing, on the NYISO, and on the New York State Public Service Commission. In addition, National Grid is serving a copy of this filing on each party in Docket Nos. EL12-101-000, EL13-16-000, and EL14-29-000.

VII. Conclusion

For the foregoing reasons, National Grid respectfully requests that the Commission accept these proposed tariff changes effective as of July 1, 2015.

Respectfully submitted,

/s/ Patrick J. Tarmey

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists for Docket Nos. EL12-101-000, EL13-16-000, and EL14-29-000, in addition to the NYISO and the New York State Public Service Commission.

Dated at Washington, DC this 12th day of June, 2015.

/s/ Daniel Klein
Daniel Klein